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Weekly Hog Report

October 27, 2014

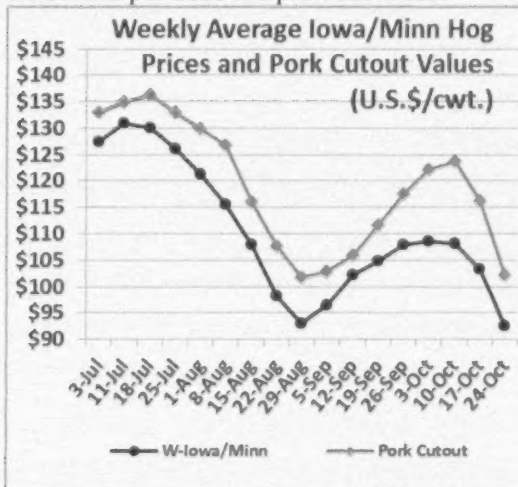
Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued lower last week and ended Friday lower, week-over-week. Hog prices on Friday averaged US\$89.15 per cwt, down US\$9.04 per cwt or 9.2 per cent from US\$98.19 per cwt the previous Friday. The negotiated base price for the week averaged US\$92.54 per cwt, down US\$10.65 per cwt or 10.3 per cent from US\$103.19 per cwt the previous week. Hog prices declined significantly over the week as average weekly pork cutout values declined over US\$14 per cwt, or 12 per cent from the previous week. Seasonally hog prices move lower in fall.

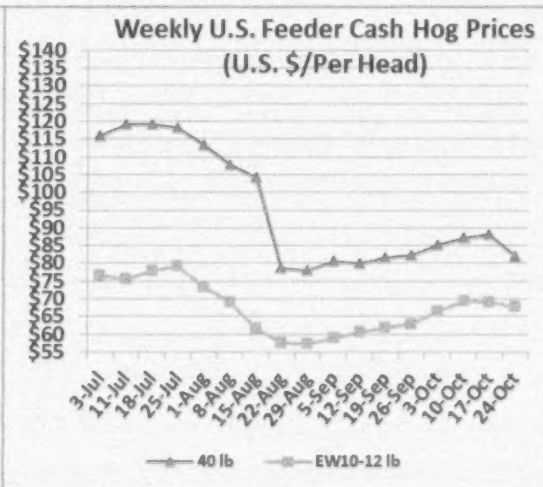
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday October 24, 2014 was \$187.05 per ckg, down \$18.86 per ckg or 9.2 per cent from \$205.91 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$195.16 per ckg, down \$19.48 per ckg or 9.1 per cent from the previous weeks' average price of \$214.64 per ckg. The Canadian dollar edged higher last week to close Friday at 89.18 cents, up 0.50 cents from the previous Friday's close of 88.68 cents.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged lower last week. Weighted average cash prices for iso-weans (12lb) last week were US\$67.65 per head, down US\$1.45 per head from US\$69.10 per head the previous week. Feeders (40lb) were US\$81.75 per head, down US\$6.17 per head from US\$87.92 per head the previous week.



Source: LMIC

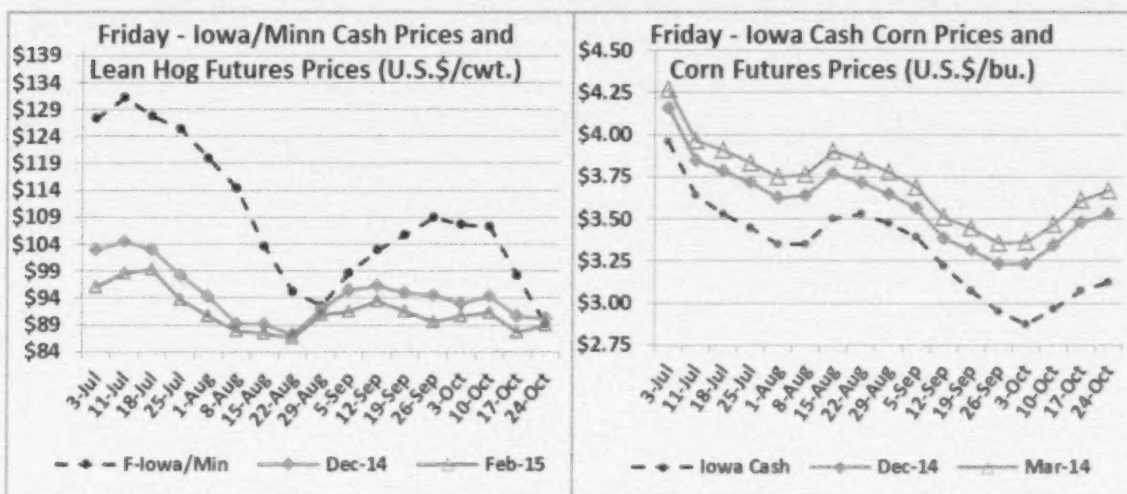


Source: LMIC

Futures Markets

Lean hog futures prices were mixed last week. The December contract decreased US\$0.325 per cwt to settle Friday at US\$90.250 per cwt, while the February 2015 contract increased US\$1.325 per cwt to settle Friday at US\$88.875 per cwt.

The nearby corn, wheat, and soybean futures prices were higher last week, while gold and crude oil prices were lower, week-over-week.



Source: CME

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Iowa cash corn prices moved higher over the week increasing 5 cents per bushel to end Friday at US\$3.12 per bushel. The December and March corn futures contracts were also higher with the December contract increasing 5 cents per bushel to settle Friday at US\$3.53 per bushel, while the March 2015 corn futures contract increased over 5 cents per bushel to settle Friday at \$3.66¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week ending October 25 were estimated at 2.141 million head, down 1.8 per cent from 2.180 million head the previous week, and down 5.3 per cent from 2,260 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.137 million head, down 5.5 per cent from 2.262 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Thanksgiving week ending October 18, 2014 were estimated at 362,607 head, down 12.2 per cent from 412,988 head the previous week, and down 2.6 per cent from 372,177 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 18 were estimated to average 400,514 head, down 2.5 per cent from 410,778 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending October 25 was estimated at 455.9 million lb., down 1.6 per cent from 463.5 million lb. the previous week, and down 3.6 per cent from 473.1 million lb. the same week a year ago. Pork production over the last four weeks ending October 25 was estimated to average 455.0 million lb., down 3.3 per cent from 470.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 25 totaled 474.2 million lb., up 2.3 per cent from 463.6 million lb. a week ago, but down 4.5 per cent from 496.8 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 18, 2014, was estimated at 2.014 billion lb., down 0.3 per cent from 2.020 billion lb. over the same four weeks a year ago, and down 1.6 per cent year-to-date.

United States Weekly Meat Production

(Oct. 18) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	464.3	452.2	-2.6%	-1.2%
Beef	498.2	468.6	-5.9%	-5.5%
Chicken	929.7	951.3	2.3%	0.3%
Turkey	127.6	142.2	11.4%	-1.8%
Total	2,019.9	2,014.3	-0.28%	-1.59%

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending October 25, 2014 averaged US\$102.09 per cwt, down US\$14.01 per cwt or 12.1 per cent from US\$116.10 per cwt from the previous week, but up 7.9 per cent from US\$94.65 per cwt a year ago. Primal hams and loins led the price decline with large losses, week-over-week.

Average beef cutout values (Choice 600-900 lb.) for the week ending October 25 averaged US\$249.50 per cwt, up slightly from the average price of US\$249.26 per cwt from the previous week, and up 24.7 per cent from US\$200.09 per cwt a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on October 22. The United States' pork stocks in cold storage totaled 545.0 million lb. on September 30, 2014, up slightly from 543.7 million lb. on August 31, 2014, but down 4.0 per cent from 567.8 million lb. on September 30, 2013.

The U.S. beef stocks in cold storage totaled 373.3 million lb. on September 30, 2014, up 7.7 per cent from 346.6 million lb. on August 31, 2014, but down 16.1 per cent from 445.2 million lb. on September 30, 2013.

Chicken in cold storage totaled 614.3 million lb. on September 30, 2014, down 2.3 per cent from 628.6 million lb. on August 31, 2014, and down 9.2 per cent from 676.9 million lb. on September 30, 2013.

Turkey in cold storage totaled 484.5 million lb. on September 30, 2014, down 2.1 per cent from 494.8 million lb. on August 31, 2014, and down 10.5 per cent from 541.2 million lb. on September 30, 2013.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 2.017 billion lb. on September 30, 2014, up slightly from 2.014 billion lb. on August 31, 2014, but down 9.6 per cent from 2.231 billion lb. on September 30, 2013.

United States Stocks in Cold Storage (Frozen)

1,000 Pounds			
Commodity	September 30, 2013	August 31, 2014	September 30, 2014
Pork	567,827	543,666	544,998
Beef	445,159	346,556	373,344
Chicken	676,920	628,619	614,290
Turkey	541,183	494,790	484,547
Total Combined	2,231,089	2,013,631	2,017,179

Source: NASS

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